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ATTORNEYS FOR NORTH K I-29 2004, LLC

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re

Chapter 11

SEARS HOLDINGS CORPORATION,
et al.,

Case No. 18-23538 (RDD)
(Jointly Administered)

Debtors.
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**DECLARATION OF STEVEN E. CAFFEY IN SUPPORT OF NORTH K I-29 2004, LLC'S
OBJECTION TO CURE COSTS AND ASSUMPTION OF LEASE¹**

I, Steven E. Caffey, make this Declaration under 28 U.S.C. § 1746 as follows:

1. I am the Executive Vice President – CEO at Block & Company, Inc., which is the property manager for North K I-29 2004, LLC (“North K I-29”).
2. I have personal knowledge of the facts and am competent to testify to the matters stated herein. As such, I am fully authorized to make this Declaration in support of North K I-29's Supplemental Objection to Cure Costs and Assumption of Lease.
3. Attached hereto as **Exhibit A** are documents from our file showing Troy Coolidge No. 18, LLC as the assignee of the Ground Lease as successor tenant to wit: the letter dated March 25, 2004 from Malan Realty Investors constituting notice that Malan assigned Tenant's position to Troy Coolidge No. 18, LLC and a copy of the recorded Assignment to Troy Coolidge No. 18, LLC.

¹ Attached hereto as **Exhibit C** is Lease No. 3239.

4. I personally inspected the outside of the premises formerly occupied by Kmart located on real estate owned by North K I-29, which is subject to the Ground Lease listed as Lease No. 3239 in the Debtor's schedules.

5. I inspected the parking lot with a contractor whose ordinary business is to repair parking lots. Based upon my inspection and discussions with the contractor, I estimate the cost to repair the parking lot will be approximately \$150,000.

6. Attached hereto as **Exhibit B** are four pictures showing the current condition of the premises. These pictures were taken by another employee at Block & Company, however, I can verify that the pictures accurately represent the current condition of the premises. Said pictures show:

- a. A school path from the school to the premises and open fence;
- b. Truckers using the parking lot as a "rest stop;"
- c. The disrepair of the parking lot; and
- d. Trash and old mattresses on the property.

7. There is likely additional maintenance required for the interior of the buildings and/or roof. However, despite my written and verbal requests to those persons Sears Holdings suggested I contact, I have not received permission to inspect the interior or the roof of the building.

8. Tenant is in default of its obligations to keep the property in a "neat and clean condition," has not delivered insurance certificates nor, to my knowledge, paid percentage rent due in 2019 for the prior year.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Dated May 2, 2019



Steven E. Caffey